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I. Organizational matters

1. The second regular session 2003 of the Executive Board of UNDP and UNFPA met from 8 to 12 September in New York. At the session, the Executive Board approved the agenda and work plan for its second regular session 2003 (DP/2003/L.3 and Corr.1), as orally amended, and the report on the annual session 2003 (DP/2003/25).

2. It agreed in decision 2003/29 to the following schedule of future sessions of the Executive Board in 2004:

First regular session 2004	23 to 30 January 2004
Annual session 2004	14 to 25 June 2004 (Geneva)
Second regular session 2004	20 to 24 September 2004

3. Decisions adopted at the second regular session 2003 were included in document DP/2004/2 accessible on the Executive Board secretariat web site at www.undp.org/execbrd.

4. The President of the Board, the Administrator of UNDP and delegations expressed their condolences for the tragic loss of United Nations staff who had fallen in Baghdad, Iraq. They also wished quick and full recovery to those who had been injured in the attack.

5. The Administrator spoke about his recent journey to Jordan for the sad purpose of receiving the remains of the fallen staff members, and to visit the wounded staff who had been evacuated from Iraq. The Administrator referred by name to each of the fallen colleagues from UNOPS and each of the injured UNDP staff members. Delegations subsequently observed a moment of silence in honour of the fallen staff members.

6. On 11 September, the President of the Board, the Administrator of UNDP and delegations expressed their condolences for the untimely and tragic death of Ms. Ann Lindh, Foreign Minister of Sweden. Delegations observed a moment of silence in her honour.

UNDP segment

II. Financial, budgetary and administrative matters

7. Delegations commended UNDP for the high quality of its report on the biennial budget estimates, 2004-2005 (DP/2003/28), the annual review of the financial situation 2002 (DP/2003/27 and Add.1), the report of the ACABQ on the biennial budget estimates, 2004-2005 (DP/2003/29), information on United Nations system technical cooperation expenditures 2002 (DP/2003/30 and Add.1) and additional security measures required for UNDP personnel and premises (DP/2003/CRP.20). They welcomed, in particular, the excellent introductory statement by the Associate Administrator on behalf of the Administrator. They also commended the secretariat

for organizing informal meetings with members of the Executive Board prior to the session.

8. Delegations observed that document DP/2003/28 on the biennial budget estimates 2004-2005 was concise, comprehensive and presented a clear strategy. The budget, they affirmed, was generally well aligned with the strategic goals and priority areas set out in the second multi-year funding framework 2004-2007 (DP/2003/32); the principles underlying the preparation of the budget and the reasons for the budget increase were valid; and the increased cost recovery rates were a step in the right direction to ensure that other (non-core) resources contribute fairly to the cost of UNDP programmes.

9. They supported the budget as proposed in document DP/2003/28, noting that a prerequisite for a strong UNDP presence at the country level was the continued stability of its regular resources base. Accordingly, they supported the proposed investments in human resources and knowledge management at headquarters and at the country level in order to build partnerships, coordinate institutional efforts and lay a foundation for conflict prevention and post-conflict operations. They also supported the proposed base structure concept to be funded from the regular resources budget.

10. Some delegations announced increased contributions to regular resources while others confirmed that they would retain their current levels. Notwithstanding, delegations wished to: (a) know if the upward reclassification of posts was based on substantive changes in the level and scope of responsibilities; (b) obtain additional information on the cost recovery calculation and on the basic structure concept; (c) learn what measures would be taken to ensure that there were no adverse effects on the minimum target for resource assignment from the core (TRAC) programming in the event that the actual resources should fall short of the budgeted amount; (d) obtain further information on cooperation between UNDP and the private sector in information technology and communications; (e) understand how reporting on the budget would fit into reporting activities under the second MYFF, in particular with regards to the MYFF goals.

11. Delegations recommended that every effort should be made to ensure that: (a) regular resources did not subsidize programmes funded from other (non-core) resources; (b) an assessment be conducted on how non-core resources would fit strategically with the regular-resources-funded programmes of UNDP, the strengthening of joint programming, programme management, and joint resource mobilization among United Nations organizations; (c) in the implementation of the cost recovery policy, the relationship between core and non-core contributions be monitored; (d) the capacity of UNDP to measure and report on the full cost of services be strengthened; (e) the issues of cost recovery should be taken up in the context of the simplification and harmonization framework of the United Nations Development Group, with the overall objective of agreeing on a common definition of programme cost and administrative cost.

12. The Assistant Administrator and Director, Bureau of Management, reported that additional information had been provided on the calculation of cost recovery. He advised that the methodology applied in the exercise was consistent with the recommendations of the Joint Inspection Unit and closely resembled that used by the United Nations Children's Fund (UNICEF). He reported that the report on programme and budget support was provided for information only.

13. On post reclassification, the Director observed that the exercise had not been undertaken in more than a decade in spite of increased responsibilities for resident coordinators and country directors. He advised that there were cases where a downward reclassification of posts had taken place.

14. The Director advised that the base structure concept was relatively new, noting that adjustments would be made as lessons were learned. The Executive Board would be kept abreast of developments.

15. On the relationship between UNDP and the private sector in information technology, the Director acknowledged that UNDP had benefited from the latter through preferential treatment in equipment procurement, but there were no financial flows as such. The re-profiling exercise at the country level resulted in savings that had been invested in information and communications technology and learning for UNDP staff.

16. He concluded by assuring delegations that UNDP would make every effort to align the strategic goals of the MYFF with budget planning.

17. The Executive Board adopted decision 2003/22 on the biennial support budget 2004-2005.

18. The Executive Board adopted decision 2003/23 on the biennial support budget 2004-2005 for the United Nations Capital Development Fund and the United Nations Development Fund for Women.

III. Thematic trust funds

19. Delegations thanked UNDP for the report on the thematic trust funds (DP/2003/31), and commended UNDP representatives for their comprehensive and informative reporting and presentations.

20. Delegations stressed that the thematic trust fund (TTF) concept was an important innovation that had been strategically and cohesively used to underpin the core goals of UNDP. They indicated that the financial and programming results currently in use were promising. Given the importance of the thematic trust funds, delegations suggested that they be closely monitored and included as a regular item on the agenda of Executive Board sessions.

21. They suggested that reported country results on thematic trust funds should be presented as part of the MYFF reporting system in order to ensure the consolidation of results achieved by service line, simplified reporting, and alignment with the MYFF goals. They recommended that the annual TTF report should be more analytical, drawing on lessons learned and demonstrating how each thematic trust fund met its thematic objectives.

22. Delegations stressed that thematic trust funds should complement and not compete with, or undermine, core resources, which remain the bedrock of the organization. They also anticipated that more donors would contribute to the thematic trust funds, and expressed regret that only two of the eight approved thematic trust funds received adequate contributions.

23. They suggested that the number of thematic trust funds should be aligned with the number of goals in the MYFF, 2004-2007, while those not having attracted sufficient funding should be cancelled.

24. They strongly expressed their concern regarding donor earmarking of funds with attached conditionalities, which impede the ability of UNDP to be flexible and strategic in allocating funds. They regretted that the bulk of the resources in the thematic trust funds – about three-quarters – were earmarked for specific countries or projects, but understood the special nature of such earmarkings, especially with regard to the thematic trust funds on crisis prevention and recovery.

25. While noting that the allocation process had improved and was more transparent, delegations underscored that to improve their effectiveness efforts should be made to harmonize and streamline the thematic trust funds further.

26. They also suggested that efforts should be made to avoid competition for funds with other United Nations organizations, such as the United Nations Development Fund for Women (UNIFEM) and the Joint United Nations Programme on HIV/AIDS (UNAIDS), which address similar themes.

27. In general, delegations strongly supported the thematic trust funds and would continue to make contributions within the limits of their capacity.

28. In response, the Assistant Administrator and Director, Bureau for Development Policy (BDP), indicated that UNDP would continue to work towards improving the performance and management of the thematic trust funds. He also concurred with delegations on the recommendation that future TTF reporting be simplified and integrated with the MYFF reporting.

29. He clarified that transaction costs were high relative to the size of the thematic trust fund – the smaller the TTF the higher the cost of managing it. He also clarified that internal transaction costs to UNDP were associated with the selection and allocation process, which was designed to ensure that resources entrusted to UNDP were utilized for the most strategic and catalytic initiatives. Further experience would make it possible to streamline the process, which in turn would lead to a reduction in transaction costs and improve the efficiency and effectiveness of the TTF facility. He stated that from 2004 onwards the number of thematic trust funds would be aligned with the number of goals in the MYFF, 2004-2007.

30. The Assistant Administrator and Director, Bureau for Crisis Prevention and Recovery (BCPR), reported that the transactions costs for the Thematic Trust Fund for Crisis Prevention and Recovery were not high because TTF resources were not allocated through a selection and allocation process, and were co-programmed with existing country office initiatives. The arrangements in place allowed programming to take place as the process moved forward. She also reported that as a result of the special initiatives in Afghanistan the bulk of resources had been allocated to that country. Lessons from Afghanistan were being applied to other countries, such as Guinea Bissau, where BCPR worked in collaboration with the Economic and Social Council mission and assisted the country in designing resource mobilization options. UNDP also designed a mechanism to assist in paying the salaries of civil servants in Guinea Bissau, but donors did not fund it. A similar model was being used to create a similar facility in Liberia, for which donor support was expected.

31. The Assistant Administrator reported that her bureau also had its own core resources, which when needed could quickly be allocated for immediate relief in natural disasters, for example. Follow-up assistance could then tap into further target for resource assignment from the core (TRAC) 3 resources and the thematic trust funds to initiate programmes and mobilize additional resources later on.

32. On reporting, she stated that the Bureau was producing one annual comprehensive report, which responded to both the financial and analytical reporting requirements of donors.

33. The Director, Division for Resource Mobilization, noted that the thematic trust funds were considered part of a three-layered arrangement: core resources; country-level partnerships and the thematic trust funds. She indicated that UNDP had consistently worked to ensure that core resources were protected. She explained that the manner in which the thematic trust funds fit with other types of funding raised the fundamental issue of how UNDP integrated its efforts at the country level with other actors. In terms of donor participation, the number of donors joining UNDP through the thematic trust funds had increased, albeit slowly. Donors were requested to avoid earmarkings when providing resources so that UNDP could have the flexibility to allocate them according to corporate priorities in support of programme countries.

34. Reporting on TTF activities was done through the results-based management system. The MYFF, 2004-2007, made a good logical case for reporting to the Executive Board in the future.

35. The Director concluded by observing that, in the majority of cases, country offices worked with governments to formulate overall programmes without distinction between the sources of funding. The MYFF sought to bring all activities together in one set of programmes funded from different sources. Consequently, TTF resources were not allocated in isolation from other sources of funding.

IV. Multi-year funding framework

36. Delegations debated the second multi-year funding framework (MYFF), 2004-2007, as contained in document DP/2003/32. They congratulated UNDP for an excellent report and for the outstanding and informative statements delivered by the Administrator and Associate Administrator.

37. They commended the secretariat for organizing informal meetings and consultations at various levels that facilitated fruitful discussions prior to the session. They underscored that the framework was more simplified, focused and user-friendly than its predecessor. They welcomed the balance in the reduced goals and service lines.

38. Delegations underscored that: (a) poverty reduction and the MDGs should remain the overarching goals of UNDP; (b) the implementation of the MYFF should take into consideration programme country development priorities and strategies; (c) UNDP should accord special attention to ensuring that the poverty reduction strategy papers (PRSPs) were appropriately attuned to the Millennium Development Goals (MDGs); (d) capacity development had a special part to play in UNDP support to the MDGs by, inter alia, enhancing national ownership, which in turn

could improve the effectiveness of development results; (e) upstream work should be accompanied by downstream efforts so that policy advice could be regularly informed by practice and vice versa; (f) the MYFF should respond to the demands of intergovernmental bodies as reflected in the MDGs, the Conference on Financing for Development and the World Summit on Sustainable Development, as well as regional efforts such as the New Partnership for Africa's Development (NEPAD) by the African Union; (g) the terminology used in the MYFF should be consistent with that contained in intergovernmental documents; (h) the increase in regular resources in the last several years reflected the improved image of UNDP and the efficiency and effectiveness of its performance, thanks to its reform programme; and (i) the need for predictable, sustainable and adequate regular resources so that UNDP could provide assistance commensurate with programme country demands and improve the organization's capacity to deliver its services more effectively and efficiently.

39. Delegations sought clarification on how UNDP planned to report on performance and what indicators would be used to measure programme impact and lessons learned. They welcomed the opportunity to discuss these issues at the first regular session of the Executive Board in January 2004. They also sought further clarification on the relationship between the MYFF, the triennial comprehensive policy review on operational activities for development (E/1998/48), the United Nations Development Assistance Framework, the PRSPs and the Brussels Programme of Action for the Least Developed Countries as well as the links between the MYFF goals and resource mobilization and management strategies.

40. Some delegations observed that goals and service lines could be focused further. Other delegations noted that considerations of focus should be reconciled with the flexibility needed to respond to emerging programme country demand. Other delegations considered the current balance of goals and service lines to reflect appropriate focus and demand. Gender mainstreaming should continue to receive priority attention in collaboration with the United Nations Development Fund for Women (UNIFEM). South-South and triangular cooperation should continue to be encouraged and adequately funded. The coordination mechanism at the country level should recognize the important role of government. Programming and funding need to be properly aligned. The resident coordinator system needed strengthening to better handle increased responsibilities, such as support to PRSPs and joint programming. The relationship between state and non-state actors should be further encouraged and strengthened through public-private partnerships.

41. The Associate Administrator acknowledged delegations' positive comments on the quality, focus and balance between the reduced goals and service lines in the second MYFF, 2004-2007. He concurred that the framework was a living document and would be adjusted and fine-tuned to address the demands of programme countries and regional entities, and to account for other developments in areas such as energy and environment. UNDP would continue to place top priority on poverty reduction and the MDGs. Active consultations with all stakeholders would be undertaken to ensure that programmes were designed and owned by national authorities. He reported that innovative methodologies on indicators for measuring and reporting results and impact were under active consideration within UNDP. A report would be presented to the Executive Board at its first regular session 2004.

42. The Associate Administrator thanked delegations that had announced increased contributions to regular resources and appealed to others to do the same so as to

ensure an adequate resource base that would enable UNDP to meet the demands of programme countries.

43. He reminded delegations that UNDP had for a long time been involved in anti-poverty programmes, and its experience had been utilized in poverty assessments and in drafting of anti-poverty programmes. This experience had been available to countries involved in preparing PRSPs. UNDP had also gained credibility in building partnerships and broad-based participatory processes that had become crucial in the PRSP process. The role of UNDP as coordinator of the MDGs at the country level would be instrumental in forging links between the MDGs and PRSPs.

44. The Associate Administrator reiterated that the purpose of going upstream was to establish a link between policy and projects that did not exist before. He stressed that projects alone, in the absence of a policy framework, would not solve poverty challenges. Therefore, the adoption of an upstream approach was not to abandon downstream activities but to link the two in a mutually reinforcing manner.

45. He advised members of the Executive Board that the issue of addressing appropriately the resident coordinator system was still under discussion; the Board would be kept informed of developments. He also stressed that the resident coordinator system would remain the cornerstone of the UNDP reform agenda.

46. The Associate Administrator observed that although gender was not a separate MYFF goal, gender mainstreaming would continue to be a top priority in all aspects of UNDP work at headquarters and at the country level. UNDP, through its Gender Unit, would continue to work closely with UNIFEM to ensure that gender issues received the attention that they deserved.

47. The Executive Board adopted decision 2003/24 on the UNDP multi-year funding framework, 2004-2007.

V. Evaluation

48. Delegations highly commended UNDP for producing timely, well-structured and well-written reports, including the annual report of the Administrator on evaluation (DP/2003/33), the executive summary of the report on the assessment of the MDG reports (DP/2003/34), the note by the Administrator on the assessment of the MDG reports (DP/2003/41) and the management response to the evaluation of the role of UNDP in the PRSP process (DP/2003/35). They welcomed the progress made in the development of systematic and analytical methodologies. They endorsed the methodological approach of dividing monitoring and evaluation into programme, country and organizational categories, and welcomed the introduction of country level strategic evaluations such as the assessment of development results.

49. Delegates also supported the heightened attention given to aligning the PRSPs and the MDGs, in particular with regard to enhancing monitoring and reporting systems at the country level and the evolving partnership between United Nations organizations and governments as well as donors and programme countries. The partnership with the private sector was also commended.

50. The links between policy and operational activities at the country level and the efforts to enhance cooperation on knowledge and learning within the United Nations and between it and bilateral donors were appreciated.

51. Delegations stressed the importance of using evaluation results in the decision-making process. They also underscored the importance of broad-based participation in the MDG process, involving civil society organizations and marginalized communities. They noted, however, that the Evaluation Office might be spreading itself too thinly, which could result in impaired effectiveness and efficiency. They also advised that care be taken to obtain accurate and current statistics in collaboration with national authorities. Capacity building at the national level in collaboration with other relevant stakeholders such as the World Bank might be helpful in that regard. Delegations also called on UNDP to undertake more institutional-type evaluations. They sought more information on what had been done to narrow the evaluation capacity gap at the national level; how the initiative to evaluate UNDAF outcomes was being carried out; the lack of emphasis given to evaluation of work in conflict prevention and recovery, gender and activities undertaken by United Nations organizations such as UNIFEM, the United Nations Capital Development Fund and the United Nations Volunteers; and what was being done at the headquarters level to enhance the capacity to feed evaluation results into decision-making processes and the formulation of new programmes.

52. Delegations wished to receive further information on the distinct aims of the PRSPs, MDG reports and the *Human Development Report*. They also wished to know if a one-page summary could be made available to Executive Board members on the aims of these reports.

53. Delegations felt the report on PRSP was thought provoking. They noted the development of partnerships with United Nations organizations, governments and donors. They recommended that the World Bank should monitor the preparation of the PRSPs and further strengthen links between the MDGs and PRSPs.

54. In response, the Acting Director, Evaluation Office, reported that the office disseminated lessons learned throughout UNDP, including the Executive Team, where key evaluation findings and expectations from UNDP were discussed. Information from evaluation exercises was being synthesized and published in *Essentials*, a UNDP publication devoted to lessons learned based on evaluative evidence. In addition, strategic issues on evaluation were regularly discussed through EvalNet and other UNDP networks. For the most part, Evaluation Knowledge products were produced in a question and answer format so as to ensure easy access for operational purposes.

55. He added that the Evaluation Office had developed a tracking system to obtain information from country offices about follow-up actions on evaluation recommendations, especially outcome evaluation. General information exchange was fostered through the Evaluation Office web site, which houses evaluation reports, terms of reference and evaluation plans, among other relevant documents.

56. Periodic presentations were also made to UNDP bureaux and at subregional resource facilities. He also reported that in order to improve evaluation capacities the Evaluation Office had conducted monitoring and evaluation workshops in Bolivia, Cuba, Fiji, Tunisia and the Asia and Pacific region. Teleconferences and videoconferences had also been conducted. The Evaluation Office had developed an

integrated results-based management (RBM) training module, which the UNDP Learning Resources Centre used. By the end of 2003, the office would assess the quality of evaluation outcomes and make recommendations on how to improve monitoring and evaluation methodologies. While the responsibility for the application of RBM methodology had been transferred to the Operations Support Group, the Evaluation Office continued to provide technical support.

57. He stressed that capacity-building remained a key element in the activities of the Evaluation Office. However, programme country demands for training in methodology had exceeded the capacity of the office. Accordingly, the Evaluation Office required a more strategic approach in providing its services, including the organization of monitoring and evaluation training events at the regional level and in conjunction with other corporate or country events.

58. The Acting Director reported that an evaluation had been conducted on crisis and post-conflict situations in 2002. He concurred with delegations that using accurate and current data was essential. The work plan for 2003-2004 included a series of lessons-learning studies and products on post-conflict situations. He observed that in 2003 the Evaluation Office in collaboration with the United Nations Development Fund for Women (UNIFEM) and the Bureau for Development Policy (BDP) produced a special edition of *Essentials* on gender in conflict situations. There was greater focus within UNDP on gender mainstreaming in all aspects of its programmes.

59. He concluded by observing that an internal assessment on upstream positioning and knowledge management in UNDP had been included in the work plan for 2003-2004. The two assessments would be conducted from a learning perspective.

60. The Executive Board adopted decision 2003/25 on UNDP evaluation.

VI. Country programmes and related matters

61. Delegations reviewed draft country programme documents for the Central African Republic (DP/DCP/CAF/1), Republic of the Congo (DP/DCP/PRC/1), Sierra Leone (DP/DCP/SIL/1), Lithuania (DP/DCP/LIT/1) and Poland (DP/DCP/POL/1). The comments were country specific and the respective bureaux would transmit them immediately to the countries concerned. If the governments concerned agree, revised country programmes would be posted on the web sites of the regional bureaux with a hyperlink to the Executive Board secretariat web site by 15 October 2003.

62. Delegations took note of the note by the Administrator on UNDP assistance to Afghanistan (DP/2003/36) on a case-by-case basis for the period from January 2004 to December 2005. During discussions on UNDP assistance to Afghanistan, the Minister for Rural Rehabilitation and Development addressed the Executive Board, which was followed by an informal briefing by the Minister that attracted a large gathering.

63. They approved the two-year extension of the second country cooperation framework for Peru (DP/2003/37/Rev.1). They took note of the one-year extensions of the second country cooperation frameworks for Bosnia and Herzegovina and Chile (DP/2003/37/Rev.1).

64. The Board took note of the oral report by the resident representative on UNDP assistance to Myanmar.

VII. UNOPS: financial, budgetary and administrative matters

65. The President of the Executive Board, the Administrator of UNDP and delegations congratulated Mr. Nigel Fisher on his appointment as the new Executive Director of the United Nations Office for Project Services (UNOPS). They also commended him for his comprehensive report on the revised budget estimates for the biennium 2002-2003, budget estimates for the biennium 2004-2005, and the report on the level of the operational reserve (DP/2003/38), the report of the ACABQ on the revised budget estimates for the biennium 2002-2003, budget estimates for the biennium 2004-2005 and report on the level of the operational reserve (DP/2003/39), the final report on the independent review (DP/2003/40), and the change management process.

66. They noted with cautious optimism that UNOPS might be able to generate and transfer a surplus to the operational reserve at the end of 2003.

67. Notwithstanding, delegations expressed concern at the alarming delivery projections for 2004. They strongly supported the commitment of the Executive Director to place immediate and high priority on new acquisitions to reverse the situation.

68. With reference to the report of the independent review (DP/2003/40), delegations underlined the importance of UNOPS as an independent, efficient and effective service provider to the United Nations system, and commended the Executive Director on his rapid development of a framework to implement structural, administrative and systems changes promptly and to create a viable basis for consolidation and growth as a self-financing entity. A wide range of organizational reforms was required to reduce costs and improve efficiency. They also called on the United Nations system to utilize services of UNOPS.

69. Delegations also concurred that UNOPS needed to focus on matching the evolving requirements of its clients as well as to broaden its client base within the United Nations system. This would entail, inter alia, a review of its fee-setting criteria, service delivery modalities and structure, so as to best reflect a client-centred approach. Delegations also stressed the need for a comprehensive review of the organization's overall mission and mandate. This question should be subject to inter-session consultations and to consideration by the Board at its first regular session and annual session 2004.

70. Delegations supported the idea of widening UNOPS business opportunities within the United Nations system and with the World Bank. The examination of service opportunities with regional development banks and other regional organizations was also raised. Varied views were expressed on the question of direct UNOPS service provision to governments in the areas of its competence.

71. Delegations proposed that the mission and mandate issue be further discussed and brought to the attention of the Executive Board in early 2004.

72. Delegations also wished to hear from the heads of UNDP and UNOPS on how they intended to revamp their relationship.

73. They expressed the desire to be updated on developments through informal consultations between now and the first regular session of the Executive Board in January 2004. During that session, a formal review would be undertaken of the financial situation of UNOPS, of progress achieved and further plans for the implementation of change measures, together with the presentation of proposals for financing of the change process.

74. In his response, the Executive Director, UNOPS, affirmed his concern about the prospects for business acquisition in 2004. He noted that guaranteed contracts currently stood at half of what was needed for the organization to stay afloat. He informed the Executive Board that he had initiated efforts to maintain the business at hand and to explore new opportunities with existing and new clients. He believed that UNOPS as a self-financing model was viable but required: (a) rapidly increased business acquisition; (b) greater focus on and understanding of clients' needs; (c) a transparent and competitive fee-setting structure; and (d) internal cost-cutting measures.

75. He observed that high on the UNOPS agenda was the necessity for a sensitive response to clients' needs and concerns with respect to costs, quality and competitive and transparent pricing procedures, as recommended in the report of the independent review (DP/2003/40). He also stressed the need for UNOPS to adapt better to the evolving environment and the mandates of its clients.

76. The Executive Director reported that UNOPS and the World Bank were already cooperating and were in the process of formalizing their working relationship. Cooperation possibilities were also being explored with the African Development Bank and the Asian Development Bank as well as with the Inter-American Bank. UNOPS, in association with UNDP, was already providing services to activities funded by the African Development Bank. He further reported that UNOPS was exploring with UNDP how they could capitalize on the resources and loans of regional development banks.

77. He underscored that in order for UNOPS to serve United Nations organizations, as called for by the Secretary-General in document DP/2003/40 and encouraged by members of the Board, the organization had to strive to be efficient, competitive and transparent in its pricing arrangements.

78. The Executive Director noted the urgency expressed by delegations to address the issue of the mandate and status of UNOPS. He stated that he would soon begin discussions regarding the mandate of UNOPS with clients, in order to reach a consensus in an open and transparent manner.

79. He reported that a road map for change was already available – what was required was the early implementation of those elements with which UNOPS could start, while simultaneously embarking on a dialogue concerning more complex issues. The report to the Executive Board at its first regular session in January 2004 would contain what had been achieved, work in progress, the proposed work plan for 2004 and the budget required. By the annual session in June 2004, the Board would be able to discuss issues related to the mandate and mission of UNOPS.

80. The Chairman of the Management Coordination Committee (MCC) reported that there was already a good working relationship between it and the Executive Director. The report on the independent review pertaining to the business model and related issues of UNOPS – comments of the Executive Director (DP/2003/CRP.19) reflected the common views of the MCC and the Executive Director. The Chairman supported the idea that UNOPS should expand its pool of clients but not in an open-ended way that would bring in governments as direct clients. Such a development might undermine the broad structure of relationships between UNOPS and other United Nations organizations. He stressed that there was a need to think carefully about how the pool of clients for UNOPS could be expanded without creating unintended and damaging results. The matter would be taken up in the MCC; the Board would be advised of the outcome.

81. The Chairman noted that repair work was needed on both sides to improve the relationship between UNDP and UNOPS. Towards that goal, the Administrator of UNDP had invited the Executive Director of UNOPS to attend, speak and lead one session at the global meeting of resident representatives in October 2003. He also reported that he had discussed with senior colleagues in UNDP a business model of partnership between UNDP and UNOPS that was acceptable to a cost-conscious donor community. That would entail, inter alia, an arrangement ensuring that the share of overhead between the two organizations would reflect the share of labour, which both organizations contribute to project management. The two organizations were committed to working out a mutually acceptable arrangement.

82. He reported that the Secretary-General expected the rest of the United Nations system to make good use of UNOPS services, but this would require overcoming some elements of resistance.

83. The Executive Board adopted decision 2003/26 on the UNOPS revised budget estimates for the biennium 2002-2003, budget estimates for the biennium 2004-2005, and report on the level of the operational reserve.

84. The Executive Board adopted decision 2003/27 on the independent review of UNOPS.

UNFPA segment

VIII. Financial, budgetary and administrative matters

85. The Executive Director introduced the estimates for the biennial support budget for 2004-2005 (DP/FPA/2003/12), addressing policy issues, highlighting key financial elements of the budget and responding to the concerns raised by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) in its report (DP/FPA/2003/12). She also introduced the Annual Financial Review 2002 (DP/FPA/2003/13). She underscored that the budget proposal embodied the Fund's transition process and was designed to pave the way for implementing its outcomes, including strengthening the capacity of UNFPA to assist countries in implementing the Programme of Action of the International Conference on Population and Development (ICPD) and achieving the Millennium Development Goals (MDGs). She emphasized that the proposed budget provided greater support to country

offices, growth where affordable and cost containment where necessary. She stressed that UNFPA was working to align the multi-year funding framework (MYFF) with the budget and hoped that the next budget would be presented with the MYFF at the same Executive Board session. Noting that the Fund's financial situation in 2003 was healthy, she stated that the Fund's income had increased to the point that the funding gap caused by the loss of a major contribution had been entirely offset.

86. The Director, Division for Management Services, made a slide presentation on the budget proposals for 2004-2005. He also drew attention to the background note that had been distributed providing additional information on post reclassifications and linkages between the MYFF 2004-2007 and the estimates for the biennial support budget for 2004-2005.

87. During the discussion, numerous delegations expressed strong support for the proposed UNFPA budget and welcomed the Fund's focus on strengthening country offices, including through implementation of the new country office typology; human resources development; and knowledge sharing. Delegations thanked UNFPA for the excellent documentation and supplementary materials as well as for the informal briefings held prior to the session. They noted that the budget was integral to achieving the Fund's transition outcomes. Delegations underscored that the Fund had a central role to play in assisting countries in achieving the goals of the ICPD Programme of Action, ICPD+5 and the MDGs. They welcomed the increased expenditure for programme activities. Delegations also welcomed the Fund's increased participation in the United Nations Development Group (UNDG) as well as in country processes such as the poverty reduction strategy paper (PRSP) and sector-wide approaches (SWAps). A number of delegations noted that UNFPA contributed significantly to improve gender equality.

88. Several delegations noted the need to synchronize the budget and MYFF cycles and welcomed the news that in the future UNFPA planned to present the budget and the MYFF at the same session. Delegations took note of the comments of the ACABQ, including on post reclassifications and results-based budgeting. Numerous delegations stated that they appreciated the additional information provided by UNFPA concerning post reclassifications and the linkages between the MYFF and the budget. One delegation asked if UNFPA had considered how it might monitor or assess the results/impact of its strategic investment in implementing the new country office typology. The delegation was also interested in knowing whether the reclassifications of posts and the creation of additional posts would improve staff capacity at the country office level, resulting in increased ability to meet programming commitments.

89. A number of delegations welcomed the monitoring and evaluation framework and inquired about benchmarks to measure the effectiveness of programme implementation. One delegation encouraged the Fund to share its best practices with Member States. One delegation requested UNFPA to adopt the terms "reproductive health care" and "primary health services, including reproductive health" in lieu of "reproductive health services". The same delegation advocated a comprehensive approach to HIV/AIDS prevention, including use of the "ABC model".

90. Noting that UNFPA needed more core resources, several delegations called on donors to increase their core contributions and to undertake greater burden sharing.

The delegations of Canada and Sweden announced that they would increase their core contributions to UNFPA in 2004.

91. The delegation of Norway strongly supported the Fund's efforts to link poverty alleviation to reproductive health, population and gender within the context of the MDGs and commended the Fund's leadership in promoting the ICPD Programme of Action and specifically the work being carried out by UNFPA in the field of reproductive health. The delegation took the opportunity to strongly oppose the false allegations made by one outside organization (in the aftermath of the annual session 2003) that Norway had questioned the Fund's reliability in financial matters. The delegation emphasized that that was definitely not the case and it underscored that Norway was convinced that its contributions were spent wisely and efficiently by UNFPA. The delegation added that the Fund's income picture was better than previously expected and the number of donor countries had grown significantly. The delegation stated that that was a true reflection of the trust that donor countries placed in the Fund and of the strong political support that UNFPA enjoyed.

92. The delegation of the United States of America stated that it continued to maintain an active dialogue with UNFPA and China regarding the issues that had prevented its Government from funding UNFPA. Noting that its country was not legally able to fund UNFPA at the present time, the delegation stated that it had consistently encouraged China to adopt new policies that would eliminate coercive measures from its family planning programmes. The delegation encouraged UNFPA to continue its efforts towards that end and underscored that its country remained committed to funding UNFPA and would continue its dialogue with China and UNFPA.

93. The delegation of China stated that since the 1980s its country had enjoyed a very good relationship and cooperation with UNFPA. The Fund's programmes had played an important role in promoting the development of Chinese society and the economy. The delegation regretted that the United States of America was attempting to use Chinese domestic policy to withhold its contribution to UNFPA. The delegation noted that in the early part of August a United States Assistant Secretary of State had visited China and had recognized that the cooperative programmes carried out with UNFPA assistance were very important in terms of reproductive health, family planning and health services. The delegation hoped that the above-mentioned visit would help the Government of the United States of America to gain further understanding of the issue of population in China and would strengthen its support for the cooperation between China and UNFPA. The delegation appealed to the Government of the United States of America to resume its contribution to UNFPA at an early date.

94. The Executive Director thanked the delegations for their support and expressed appreciation to Canada and Sweden for the announcements regarding increased core contributions in 2004. She hoped that the tenth anniversary of ICPD in 2004 would provide a real impetus for implementing the ICPD Programme of Action. She assured the Executive Board that UNFPA was making every effort to align all its activities with the MYFF. She underscored that UNFPA was promoting results-based mangement and the MYFF would systematically be used for monitoring and evaluation. With regard to post reclassifications, she pointed out that they were in accordance with established International Civil Service Commission (ICSC) standards.

95. Regarding the comment on reproductive health terminology, she underscored that the Fund's mandate and reproductive health terminology were derived from the ICPD Programme of Action. She noted that the Fund's core programme areas had been endorsed by the Executive Board in decision 95/15 and that the decision stated that the UNFPA programme must be implemented in full accordance with the ICPD Programme of Action. The Board had endorsed continuing use of the core programme areas in decision 2000/11. Concerning the "ABC" approach to HIV/AIDS prevention, she clarified that in keeping with the international consensus UNFPA promoted all three components – A, B and C – simultaneously.

96. The Deputy Executive Director (Management) thanked the Executive Board for approving the biennial support budget, 2004-2005, and for the increase in contributions announced by Sweden and Canada. She noted that it would enable UNFPA to implement the transition outcomes and that it would form the institutional foundation required to utilize much-needed additional regular resources. She stated that Fund-wide workshops were being organized to familiarize all UNFPA staff -- at headquarters and in the field -- with the transition outcomes and to bring about a cultural change in the organization. She added that the workshops were facilitated by the Fund's own staff members. In connection with the questions raised by some Executive Board members on the issue of carry-over funds in recent years, the Deputy Executive Director (Management) explained the reasons for over- and under-expenditure at year-end. Concerning trust funds, she noted that UNFPA was reviewing cost recovery and also studying the modality of thematic trust funds for possible application in UNFPA.

97. The Executive Board adopted decision 2003/28: UNFPA estimates for the biennial support budget, 2004-2005.

IX. Country programmes and related matters

98. The Executive Board reviewed the draft country programme documents for Lesotho (DP/FPA/DCP/LSP/4), the Republic of the Congo (DP/FPA/DCP/COG/3), Sierra Leone (DP/FPA/DCP/SLE/3) and Ecuador (DP/FPA/DCP/ECU/4).

99. In discussing the draft country programmes from the Africa region, delegations appreciated the Fund's focus on HIV/AIDS prevention and noted that HIV/AIDS prevention should be incorporated in all reproductive health programmes and not be a vertical programme. It was pointed out that non-governmental organizations (NGOs) could play a vital role in linking national policies at central level to activities at the local level. Additional information was requested on demographic indicators. Delegations from a number of programme countries expressed appreciation for the support provided by UNFPA to their respective countries.

100. The Director of the Africa Division noted that all UNFPA country programmes included demographic indicators that were specified in detail in the logical framework of each programme. She underscored that it was the Fund's policy to mainstream HIV/AIDS prevention in reproductive health programmes. She noted that NGOs were involved in all stages of programming, including planning and development stages, as well as programme execution and evaluation.

101. With regard to the draft country programme for Ecuador, one delegation underscored the need to combat sexually transmitted infections, including HIV/AIDS, and to address in particular the needs of indigenous and African-Ecuadorian women.

102. The Director of the Latin America and the Caribbean Division responded by noting that the focus on working with indigenous groups and on HIV/AIDS prevention, especially among adolescents and youth, was prioritized in the new programme for Ecuador. The two directors thanked the Executive Board for the comments and noted that they would be conveyed to the concerned countries.

103. The Executive Board took note of the draft country programme documents for Lesotho, the Republic of the Congo, Sierra Leone and Ecuador, and the comments made thereon.

X. Other matters

104. Members of the Executive Board reviewed the conference room paper on proposals for the joint field visits in 2004 (DP/2003/CRP.18). They took note of the report with comments thereon for follow up by the bureaux of the Executive Boards of UNDP/UNFPA, UNICEF and the World Food Programme.

United Nations DP/2004/2

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

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First regular session 2004
23 to 30 January 2004, New York
Item 1 of the provisional agenda
Organizational matters

Decisions adopted by the Executive Board during 2003

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2003/1
Improvement of the working methods of the Executive Board

The Executive Board

1. *Recalls* General Assembly resolution 48/162 of 20 December 1993 on the functions of the Executive Board (paragraph 22) and Executive Board decisions 96/6 of 19 January 1996 and 96/45 of 13 September 1996, as reflected in DP/2003/CRP.6, on rationalization of documentation;

2. *Takes note* of the follow-up to the report on the rationalization of documentation and the streamlining of the working methods of the Executive Board (DP/2003/CRP.6) and the report on rationalization of documentation and streamlining of working methods of the Executive Board (DP/2001/CRP.17–DP/FPA/2001/CRP.2);

3. *Encourages* a closer relationship between the deliberations of the Executive Board and the work in the field, keeping in mind the need to enhance country-driven programming;

4. *Decides* to include this item in the agenda of the annual session of the Executive Board in June 2003;

5. *Invites* all Member States, through the Bureau, to present contributions, before 15 May 2003, on the rationale for the improvement of the working methods of the Executive Board and specific proposals in this regard.

23 January 2003

2003/2
Assistance to Myanmar

The Executive Board

1. *Reaffirms* Governing Council decision 93/21 and Executive Board decisions 98/14 and 2001/15;

2. *Recognizes* the critical humanitarian and basic human development needs of all the people of Myanmar;

3. *Takes note* of the note of the Administrator on assistance to Myanmar (DP/2003/3) and the report submitted by the independent assessment mission to Myanmar, in particular the strategic issues and challenges raised therein;

4. *Encourages* UNDP, within its mandate, to enhance the impact of Human Development Initiative (HDI) phase IV, taking into account the report submitted by the independent assessment mission.

23 January 2003

2003/3
Financial situation of the United Nations Office for Project Services, including changes in the level of the operational reserve

The Executive Board

1. *Takes note* of the report of the United Nations Office for Project Services (UNOPS) on the implementation of the UNOPS revised budget 2002 (DP/2003/CRP.3) and its supplementary information;

2. *Notes* that the preliminary year-end figures are close to year-end projections as set out in DP/2003/CRP.3 and *notes further with appreciation* the efforts made by UNOPS staff in this regard;

3. *Expresses* its concern over the continued reduction in the level of the operational reserve;

4. *Requests* that the Executive Director a.i. of UNOPS submit a report by 1 April 2003 to the Executive Board, through the Management Coordination Committee, on updated actual end-of-year figures for 2002 and projected income and expenditure figures, as well as the level of the operational reserve, for 2003.

23 January 2003

2003/4
Independent review of the United Nations Office for Project Services

The Executive Board

1. *Recalls* its decision 2002/22 in which it decided to carry out an independent review of the business model and related issues of the United Nations Office for Project Services (UNOPS);

2. *Regrets* that the joint note of the Management Coordination Committee (MCC) and the Executive Director of UNOPS on the independent review pertaining to the business model and related issues of UNOPS (DP/2003/CRP.4), which provides a revised budget proposal for the independent review, was submitted late;

3. *Approves* the budget for the independent review up to the amount of $255 000 (DP/2003/CRP.4);

4. *Requests* that UNDP pre-finance the study and arrange appropriate modalities for reimbursement from interested Member countries;

5. *Calls on* all countries in a position to do so to contribute expeditiously towards the cost of the independent review and not later than 21 February 2003;

6. *Decides* that the independent review should be undertaken by a consultancy firm selected through an open and transparent tender and *requests* that the MCC initiate the process without delay, including the arrangement of appropriate contractual modalities for the execution of the study, bearing in mind paragraph 16 of the terms of reference set out in document DP/2003/CRP.4, as amended below;

7. *Decides* that paragraph 16 of the terms of reference be amended as follows:

> The duration of the review is estimated at 90 calendar days. The core team will require expertise in organizational restructuring in international public administration, service delivery in public- and private-sector management, corporate governance and accounting. The team should be able to draw on specialized expertise as required. One member of the team should be familiar with current and potential markets within the United Nations system, in particular development cooperation, peacekeeping and humanitarian activities;

8. *Requests* that a preliminary report, for information purposes, on progress and recommendations of the review mission be presented to the Executive Board at its annual session in June 2003 and *requests further* receipt of the final report of the review mission, including the comments by the Executive Director of UNOPS, through the MCC, prior to the second regular session 2003 of the Executive Board.

23 January 2003

2003/5
Implementation of the recommendations of the Board of Auditors

The Executive Board

1. *Takes note* of the UNDP report on the implementation of the recommendations of the Board of Auditors for the biennium 2000-2001 (DP/2003/6) and the update (DP/2003/CRP.7), the UNFPA follow-up to the report of the United Nations Board of Auditors for 2000-2001: status of implementation of recommendations (DP/FPA/2003/1) and the UNOPS follow-up to the report on the implementation of the recommendations of the Board of Auditors for the biennium 2000-2001 (DP/2003/7 and Corr. 1);

2. *Notes* that the opinion of the Board of Auditors on the financial statements of the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA) and the United Nations Office for Project Services (UNOPS) was unqualified and *welcomes* the significant improvements that have been made;

3. *Notes with concern* that the Board of Auditors has issued modified reports for UNDP, UNFPA and UNOPS;

4. *Encourages* UNDP and UNFPA to continue their follow-up action with respect to the audits of nationally executed expenditures;

5. *Welcomes* the imminent completion of the service-level agreements for services provided by UNDP to UNFPA and UNOPS;

6. *Further welcomes* the ongoing consultations between UNDP, UNFPA and UNOPS to develop a fraud-prevention strategy by the end of 2003;

7. *Encourages* UNDP, UNFPA and UNOPS to take further steps to simplify, harmonize and standardize their financial reporting.

23 January 2003

2003/6
Overview of decisions adopted by the Executive Board at its first regular session 2003

The Executive Board

Recalls that during the first regular session 2003, it:

Item 1
Organizational matters

Elected the following members of the Bureau for 2003:

President:	H.E. Mr. Roble Olhaye (Djibouti)
Vice-President:	H.E. Mr. Ahmed Al-Haddad (Yemen)
Vice-President:	Mr. Denys Toscano (Ecuador)
Vice-President:	Mr. Juraj Koudelka (Czech Republic)
Vice-President:	Ms. Kjersti Rodsmoen (Norway)

Approved the agenda and work plan for its first regular session 2003 (DP/2003/L.1 and Corr.1);

Approved the report of the second regular session 2002 (DP/2003/1);

Approved its annual work plan 2003 (DP/2003/CRP.1);

Adopted decision 2003/1 of 23 January 2003 on improvement of the working methods of the Executive Board;

Agreed to the following schedule of future sessions of the Executive Board in 2003:

Annual session 2003: 6 June and 9 to 20 June 2003 (New York)
Second regular session 2003: 8 to 12 September 2003.

UNDP segment

Item 2
UNDP Business Plans, 2000-2003

Took note of the oral presentation on the UNDP Business Plans, 2000-2003 and the conference room paper providing additional information (DP/2003/CRP.8).

Item 3
Country programmes and related matters

Approved the country programmes for Botswana, Cameroon, Cape Verde, Comoros, Côte d'Ivoire, Democratic Republic of the Congo, Equatorial Guinea, Guinea Bissau, Liberia, Mali, Mauritania, Nigeria and the Seycheiles;

Approved the country programmes for India, Malaysia, Maldives, Papua New Guinea, Samoa, Timor-Leste and the multi-country programmes for Cook Islands, Niue and Tokelau and the Pacific Island countries;

Approved the country programmes for Bolivia, Cuba, the Dominican Republic and Venezuela;

Approved the country programmes for Bahrain, Jordan and the Libyan Arab Jamahiriya;

Approved the extensions of country cooperation frameworks for the Central African Republic and Thailand (DP/2003/8);

Took note of the corrigendum to the second country cooperation framework for Panama (DP/CCF/PAN/2/Corr.1);

Adopted decision 2003/2 of 23 January 2003 on assistance to Myanmar;

Took note of the report on assistance to Djibouti (DP/2003/4) and the country programme outline for Djibouti (DP/CPO/DJI/1).

Item 4
Financial, budgetary and administrative matters

Took note of the report on the special reserve for separations relating to UNOPS and the liabilities affecting UNDP (DP/2003/CRP.2).

Item 5
United Nations Office for Project Services

Adopted decision 2003/3 of 23 January 2003 on the financial situation of the United Nations Office for Project Services, including changes in the level of the operational reserve;

Adopted decision 2003/4 of 23 January 2003 on the independent review of the United Nations Office for Project Services.

Item 6
Field visits

Took note of the report on field visits (DP/2002/CRP.5);

Approved the terms of reference and agreed on the proposed dates and composition of field visits.

UNDP/UNFPA segment

Item 7
Recommendations of the Board of Auditors 2000-2001

Adopted decision 2003/5 of 23 January 2003 on the implementation of the recommendations of the Board of Auditors for the biennium 2000-2001 for the United Nations Development Programme, the United Nations Population Fund and the United Nations Office for Project Services;

Took note of the UNDP update on the implementation of the recommendations of the Board of Auditors for the biennium 2000-2001 (DP/2003/CRP.7).

Item 8
Reports to the Economic and Social Council

Took note of the reports of the UNDP Administrator (DP/2003/5) and the UNFPA Executive Director (DP/FPA/2003/2) to the Economic and Social Council and agreed to transmit them to the Council with comments made thereon.

UNFPA segment

Item 9
Country programmes and related matters

Approved the following country programmes:

Africa: Botswana, Burundi, Cameroon, Comoros, Côte d'Ivoire, Equatorial Guinea, Guinea-Bissau, Mali, Mauritania and Nigeria;

Arab States: Djibouti and Jordan;

Asia and the Pacific: Bangladesh, China, India, Maldives, Papua New Guinea, the South Pacific region and Timor-Leste;

Latin America and the Caribbean: Bolivia, Colombia, El Salvador and Venezuela.

Item 10
Other matters

I. *Briefing*

Held a briefing on the Global Environment Facility (GEF). The Board decided that delegations needed more time to review the Beijing Declaration of the Second GEF Assembly with their respective capitals. It was proposed that this item be taken up at the annual session in June 2003. A Note by the Administrator will be prepared and made available for advance distribution by or before mid-March 2003.

II. *Informal consultations*

Held informal consultations on strategic evaluations of corporate issues that are of high priority to the organization.

23 January 2003

Tentative work plan
Executive Board of UNDP/UNFPA
Annual session 2003
(6 to 20 June 2003, New York)

Day/date	Time	Item	Subject
Friday, 6 June	10 a.m. - 6:00 p.m.	*Joint session of the Executive Boards of UNDP/UNFPA, UNICEF and WFP*	
Monday, 9 June	11 a.m. - 6:00 p.m.	*Joint session of the Executive Boards of UNDP/UNFPA, UNICEF and WFP*	
Tuesday, 10 June	10 a.m.	1	ORGANIZATIONAL MATTERS - Adoption of the agenda and work plan for the session - Adoption of the report of the first regular session 2003 **UNDP segment**
		2	ANNUAL REPORT OF THE ADMINISTRATOR - Annual report of the Administrator - Report on the multi-year funding framework - Statistical annexe - Report of the Joint Inspection Unit
	3:00 p.m.	SPECIAL EVENT (to be determined)	
Wednesday, 11 June	10:00 a.m.	2	ANNUAL REPORT OF THE ADMINISTRATOR (continued)
		3	UNITED NATIONS CAPITAL DEVELOPMENT FUND - Results-oriented annual report
	3:00 p.m.	4	TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES - New cooperation framework
		7	HUMAN DEVELOPMENT REPORT - Human Development Report – in accordance with General Assembly resolution 57/264
Thursday, 12 June	10:00 a.m.	5	FUNDING COMMITMENTS TO UNDP - Status of regular funding commitments to UNDP
		6	UNDP: COUNTRY PROGRAMMES AND RELATED MATTERS - Country programme outlines
	1:00 p.m. - 2:00 p.m.	Informal consultations on the thematic trust funds	
	3:00 p.m.	6	UNDP: COUNTRY PROGRAMMES AND RELATED MATTERS (continued)
		8	UNITED NATIONS OFFICE FOR PROJECT SERVICES - Annual report of the Executive Director - Progress information report on the independent review

Friday, 13 June	10:00 a.m.	10	**UNDP/UNFPA joint segment** INTERNAL AUDIT AND OVERSIGHT - UNDP: Report on internal audit and oversight - UNFPA: Report on internal audit and oversight
		11	FIELD VISITS - Report on field visits
	3:00 p.m.	12	PROGRAMMING PROCESS - Report of UNDP/UNFPA on common tools to monitor progress and evaluate outcomes/results of respective country programmes
		9	IMPROVEMENT OF THE WORKING METHODS OF THE BOARD - Report on improvement of the working methods of the Board
Monday, 16 June	10:00 a.m.		**UNFPA segment**
		13	ANNUAL REPORT OF THE EXECUTIVE DIRECTOR 2002 - Annual report of the Executive Director 2002 - Statistical overview - Multi-year funding framework - Sector-wide approaches - Humanitarian assistance - Reproductive health commodity security
	3:00 p.m.	13	ANNUAL REPORT OF THE EXECUTIVE DIRECTOR 2002 (continued)
Tuesday, 17 June	10:00 a.m.	14	DELEGATION OF UNFPA PERSONNEL AUTHORITY - Report on delegation of formal authority to the Executive Director on UNFPA personnel matters
	3:00 p.m.	15	FUNDING COMMITMENTS TO UNFPA - Report on funding commitments to UNFPA
Wednesday, 18 June	10:00 a.m.	16	UNFPA: COUNTRY PROGRAMMES AND RELATED MATTERS - Country programme outlines
	3:00 p.m.	16	UNFPA: COUNTRY PROGRAMMES AND RELATED MATTERS (continued)
Thursday, 19 June	10:00 a.m.	17	UNFPA: TECHNICAL ADVISORY PROGRAMME - Report on a monitoring and evaluation framework of the Technical Advisory Programme
	3:00 p.m.	18	OTHER MATTERS - World Solidarity Fund
			Pending decisions
		1	ORGANIZATIONAL MATTERS

2003/7
Joint programming, UNDP

The Executive Board

1. *Recognizes* the commitment and contribution of UNDP to a number of reform initiatives, including the reform programme of the Secretary-General, as endorsed by the General Assembly, and the provisions of the triennial comprehensive policy review of operational activities for development as set out in General Assembly resolution 56/201 of 21 December 2001;

2. *Requests* that the Administrator submit to the Executive Board for consideration at its annual session 2004 a written report containing an assessment, based on specific country examples, of UNDP experience in joint programming and other innovative and collaborative approaches aimed at improving programming effectiveness and reducing transaction costs for programme countries.

13 June 2003

2003/8
Assessment of the UNDP multi-year funding framework (MYFF), 2000-2003, and guidance in the preparation of the new MYFF, 2004-2007

The Executive Board

1. *Recalls* decisions 98/23 and 99/23 on the multi-year funding framework (MYFF) for 2000-2003;

2. *Takes note* of the report on the end-of-cycle assessment of performance of the MYFF 2000-2003 (DP/2003/12 and DP/2003/CRP.14) as well as the comments of the Executive Board made thereon;

3. *Welcomes* the progress achieved during 2000-2003 towards meeting the goals of the MYFF;

4. *Reiterates* the role of UNDP in the area of poverty reduction and in promoting and advancing the MDGs* in support of programme countries;

5. *Stresses* that the main role of UNDP is to support, within its mandate, national development plans and priorities, and the poverty reduction strategy papers (PRSPs) where they exist, taking into account UNDP comparative advantages in capacity-building, advisory services and awareness-raising, as well as in coordinating the United Nations system at the country level and through the United Nations Development Group;

* Internationally agreed development goals, including those contained in the Millennium Declaration.

6. *Requests* that in the next MYFF, 2004-2007, UNDP align and clarify the relationship between the MDGs,* the strategic goals and the practice areas with a view to establishing a consistent framework;

7. *Further requests* that UNDP, within the context of the next MYFF, 2004-2007, revisit the practice areas with a view to sharpening further the focus of the organization, taking into account the potential for added value and comparative advantages within the multilateral development system;

8. *Notes* the progress that UNDP has made in results orientation, human resource management, knowledge management, re-profiling of the country offices and in developing its partnership strategy, and *urges* the Administrator to continue his efforts in making UNDP a more effective development partner;

9. *Welcomes* the leadership that UNDP has provided in developing a system of results-based management, and *encourages* UNDP to further strengthen, refine and simplify this system, including improving its performance indicators;

10. *Expresses its concern* that progress in gender mainstreaming, empowerment of women and achieving gender equality is uneven, and *encourages* UNDP to strengthen its efforts in close collaboration with the United Nations Development Fund for Women;

11. *Expresses its concern* that the level of regular (core) resources during the current MYFF period, 2000-2003, has remained far below target;

12. *Welcomes* the encouraging albeit modest upward trend in regular (core) resources, and *urges* Member States, in a position to do so, to increase their core contributions in order to maintain the multilateral, neutral and universal nature of the work of UNDP;

13. *Encourages* UNDP within the context of the next MYFF, 2004-2007, to take account of current estimates;

14. *Stresses* the need to clarify and develop further the relationship between the priorities in the MYFF, the biennial support budget and the programming arrangements;

15. *Urges* UNDP to simplify and refine further the content and format of the next MYFF, 2004-2007, to ensure that it becomes the main policy document as well as its strategic resource and management tool.

13 June 2003

* Internationally agreed development goals, including those contained in the Millennium Declaration.

2003/9
United Nations Capital Development Fund

The Executive Board

1. *Takes note with appreciation* of the results-oriented annual report of the United Nations Capital Development Fund (UNCDF) (DP/2003/13);

2. *Welcomes with appreciation* the committed engagement of the Administrator of UNDP and managing director of the Fund for its continued efforts to promote the contribution of UNCDF to poverty reduction;

3. *Welcomes* the articulation of the complementarity and partnership between UNDP and UNCDF as reflected in the two Memoranda of Understanding signed by them on their collaborative efforts in the areas of micro-finance and local governance;

4. *Takes note* of the independent impact assessment of UNCDF currently being carried out and to be submitted to the Executive Board at its annual session 2004, and invites countries, in a position to do so, to make financial or in-kind contributions to UNCDF towards this important initiative;

5. *Notes with concern* that the regular (core) resources available to UNCDF fall far below the demand of programme countries, in particular the least developed countries, for its two areas of concentration: micro-finance and local governance/decentralization;

6. *Reaffirms* the unique contribution of UNCDF to the achievement of the MDGs* and the Brussels Programme of Action for the Least Developed Countries, and urges the international community to follow up on decision 2002/26, which articulates a regular (core) resources mobilization target of $30 million per year, in order to allow UNCDF to fulfil its mandate;

7. *Recognizes* the efforts of UNCDF to broaden the donor base, and *requests* UNCDF to inform the Executive Board of its strategy to achieve the objectives set out in decision 2002/26 at the second regular session of the Board in September 2003.

13 June 2003

* Internationally agreed development goals, including those contained in the Millennium Declaration.

2003/10
Technical cooperation among developing countries

The Executive Board

1. *Recalls* the second cooperation framework for technical cooperation among developing countries (TCDC) 2001-2003 (DP/CF/TCDC/2) approved by the Executive Board in its decision 2001/7 of 5 February 2001;

2. *Takes note* of decisions 13/1 and 13/2 adopted at the thirteenth session of the High-level Committee on the Review of Technical Cooperation among Developing Countries on the review of progress made in implementing the Buenos Aires Plan of Action and the new directions strategy for TCDC;

3. *Takes note* of the report of the Administrator on the implementation of the second cooperation framework for technical cooperation among developing countries (DP/2003/14);

4. *Encourages* further efforts to make South-South cooperation contribute effectively to the development outcomes set out in United Nations conferences and summits, including those contained in the Millennium Declaration, and to the mainstreaming of TCDC dimensions in the implementation of UNDP programme activities;

5. *Recognizes* the significant role of South-South cooperation in poverty eradication and in promoting the sustained growth and development of all developing countries, particularly the least developed countries, land-locked developing countries, transit developing countries and small island developing states;

6. *Welcomes* General Assembly resolution 57/263 to include the Voluntary Trust Fund for the Promotion of South-South Cooperation in the United Nations Pledging Conference for Development, as long as it exists, and *invites* developed countries, and developing countries in a position to do so, to contribute to the Fund;

7. *Notes with appreciation* the lessons learned from the second cooperation framework for TCDC, which will provide useful inputs in formulating the third cooperation framework to be presented to the Executive Board in first regular session 2004.

13 June 2003

2003/11
Funding commitments to UNDP

The Executive Board

1. *Takes note* of the report on the status of regular resources funding commitments to UNDP and its associated funds and programmes for 2003 and onward (DP/2003/15);

2. *Welcomes* the encouraging albeit modest increase in UNDP regular (core) resources for the second consecutive year in 2002, and *notes also* the increase in other (non-core) resources;

3. *Reiterates* that regular resources are the bedrock of UNDP and essential to maintaining the multilateral, neutral and universal nature of its work;

4. *Recognizes*, however, that the level of growth in regular (core) contributions continues to be far below target and, in the spirit of the Monterrey Consensus, *urges* all countries, in a position to do so, to increase core funding to UNDP so as to rebuild the regular resource base of UNDP;

5. *Looks forwards* to discussing further UNDP funding requirements when adopting the next multi-year funding framework (MYFF), 2004-2007, at the second regular session of the Executive Board in September 2003.

13 June 2003

2003/12
United Nations Office for Project Services

The Executive Board

1. *Takes note* of the annual report of the Executive Director (DP/2003/19);

2. *Takes note* of the report of the Executive Director, a.i., on UNOPS year-end figures for 2002 and projected income, expenditure and level of the operational reserve for 2003 (DP/2003/18);

3. *Takes note* of the independent review pertaining to the business model and related issues of the United Nations Office for Project Services – progress report (DP/2003/CRP.15);

4. *Welcomes* the start of the independent review, and *recalls* Executive Board decisions 2002/22 and 2003/4 on the scope and mandate of the review, which identified as key issues to be addressed the business model, competitive environment and governance structure;

5. *Looks forward* to receiving the report of the consultants by the end of July 2003, and *requests* that the comments of the United Nations Office for Project Services and the Management Coordination Committee be submitted to the Executive Board well in advance of its second regular session 2003.

13 June 2003

2003/13
Delegation of UNFPA personnel authority

The Executive Board

Recommends to the General Assembly, through the Economic and Social Council, that, as proposed in document DP/FPA/2003/5, formal authority in matters of UNFPA personnel be delegated by the Secretary-General to the Executive Director.

17 June 2003

2003/14
Internal audit and oversight for UNDP, UNFPA and UNOPS

The Executive Board

1. *Takes note* of the reports on internal audit and oversight (DP/2003/21, DP/2003/22 and DP/FPA/2003/3), and the comments made thereon;

2. *Strongly encourages* the Administrator of UNDP and the Executive Directors of UNFPA and the United Nations Office for Project Services (UNOPS) to take the necessary steps to address the issues contained in the reports on internal audit and oversight (DP/2003/21, DP/2003/22 and DP/FPA/2003/3) and to report to the Executive Board at its annual session 2004 in the context of their respective reports.

19 June 2003

2003/15
Joint field visits

The Executive Board

1. *Thanks* the Government of Mozambique for hosting the joint field visit of the Executive Boards of UNDP/UNFPA, the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP) in March 2003, and the United Nations country team for their contribution to the visit;

2. *Takes note* of the report of the joint field visit to Mozambique (DP/2003/CRP.10–DP/FPA/2003/CRP.1);

3. *Considers* the joint field visits (alongside field visits of individual Executive Boards) an important contribution to the engagement of the Executive Board in the coherent work of the funds and programmes at the country level, and in particular to understanding the contribution made by the United Nations country team, in cooperation with donors, to national development strategies;

4. *Notes that* future joint field visits should focus on themes of common interest to the Executive Boards of UNDP/UNFPA, UNICEF and WFP, such as the United

Nations Development Assistance Framework arrangements, the work of the United Nations country team on the MDGs* and/or other relevant cross-cutting themes for discussion at subsequent joint meetings of UNDP/UNFPA, UNICEF and WFP Executive Boards, while at the same time allowing members of the Boards to visit the projects of their respective agencies;

5. *Notes that* joint field visits can place a considerable burden on host governments, United Nations country teams and secretariats, and can have significant costs, *requests* that this be taken into account in deciding on destinations and the duration for future joint visits, and *invites* the Bureau of the Executive Board of UNDP/UNFPA to propose to the Bureaux of the Executive Boards of UNICEF and WFP to provide clear guidance and consider the possibility of rotating secretariat responsibility for coordinating and organizing joint field visits;

6. *Invites* the Bureau of the Executive Board of UNDP/UNFPA to facilitate discussion on future joint field visits through the secretariat and with the Bureaux of the Executive Boards and secretariats of UNICEF and WFP, with a view to preparing the options for a joint field visit in 2004 for consideration by the Executive Boards of the respective organizations at their September and October sessions.

19 June 2003

2003/16
UNFPA annual report

The Executive Board

1. *Welcomes* the report of the Executive Director for 2002 (DP/FPA/2003/4 Parts I to IV) and *takes note* of the comments made thereon;

2. *Invites* the Executive Director to consider options for merging the various parts of the annual report into a single, concise, performance- and results-oriented annual report, taking into account the priorities, goals and outputs contained in the MYFF.

19 June 2003

2003/17
Assessment of the UNFPA multi-year funding framework (MYFF), 2000-2003, and guidance in the preparation of the next MYFF, 2004-2007

The Executive Board

Recalls decision 2000/9 on the UNFPA MYFF, 2000-2003;

1. *Takes note* of the MYFF cumulative report, 2000-2003 (DP/FPA/2003/4 (Part II), the comments of the Executive Board made thereon, and *welcomes* the progress outlined in the cumulative report towards meeting the MYFF goals;

* Internationally agreed development goals, including those contained in the Millennium Declaration.

2. *Reiterates* the role of UNFPA in assisting countries in implementing the Programme of Action of the International Conference on Population and Development (ICPD)[1], the key actions of ICPD+ 5[2] and in advancing the MDGs[3];

3. *Approves* the strategic considerations for the next MYFF cycle as outlined in paragraph 95 of the above report (DP/FPA/2003/4 (Part II)) as the basis for the preparation of the next MYFF, 2004-2007;

4. *Encourages* UNFPA to continue to support, within its mandate, national development programmes and priorities of the programme countries, inter alia, through capacity-building;

5. Further *encourages* UNFPA to strengthen its participation in country-led national development frameworks, such as poverty reduction strategy papers and sector-wide approaches, where they exist;

6. *Welcomes* the progress that UNFPA has made in its transition process and *encourages* UNFPA to demonstrate further the results achieved in improving organizational effectiveness in the context of the next MYFF, 2004-2007;

7. *Further welcomes* the commitment of UNFPA towards results-based management;

8. *Notes with appreciation* that the projected level of total income for the current MYFF period, 2000-2003, is slightly above the targeted level;

9. *Notes with concern* that the level of regular (core) resources remains below target;

10. *Encourages* UNFPA to strengthen the linkages and consistency between the priorities in the MYFF, the biennial support budget and the country programmes, by, inter alia, exploring ways to harmonize further the respective cycles;

11. *Urges* UNFPA to simplify and refine further the content and format of the next MYFF, 2004-2007, to ensure that it becomes the main policy document of the Fund as well as its strategic resource and management tool;

12. *Requests* the Executive Director, in the context of the next MYFF, to develop further her proposal to report on the MYFF every second year;

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[1] Report of the International Conference on Population and Development, Cairo, 5-13 September 1994. (United Nations publication, sales no. E.95.XIII.18, chapter I, resolution 1, annex).

[2] General Assembly resolution A/RES/S-21/2, Key actions for the further implementation of the Programme of Action of the International Conference on Population and Development, adopted on 8 November 1999.

[3] Internationally agreed development goals, including those contained in the Millennium Declaration.

13. *Requests* the Executive Director to continue to hold open-ended informal consultations on the further development of the next MYFF, 2004-2007.

19 June 2003

2003/18
Joint programming, UNFPA

The Executive Board

1. *Recognizes* the commitment and contribution of UNFPA to a number of reform initiatives, including the reform programme of the Secretary-General, as endorsed by the General Assembly, and the provisions of the triennial comprehensive policy review as set out in General Assembly resolution 56/201 of 21 December 2001;

2. *Requests* that the Executive Director submit to the Executive Board for consideration at its annual session 2004, a written report containing an assessment, based on specific country examples, of UNFPA experience in joint programming and other innovative and collaborative approaches aimed at improving programming effectiveness and reducing transaction costs for programme countries.

19 June 2003

2003/19
Funding commitments to UNFPA

The Executive Board

1. *Takes note* of the report on contributions by Member States to regular (core) and other resources for 2003 and future years (DP/FPA/2003/6);

2. *Recognizes* the strong and widespread support for UNFPA activities and *notes with appreciation* the increased contributions and early payments made by several Member States.

3. *Encourages* UNFPA to continue its efforts to reduce dependency on a few large donors, and to broaden its donor base;

4. *Welcomes* the contributions and the corresponding commitments also made by programme countries, enabling UNFPA to reach its highest ever number of donors;

5. *Further welcomes* additional funds from all sources, inter alia, civil society, foundations and corporations;

6. *Encourages* all countries in a position to do so to commit to multi-year pledges and make early payments of contributions;

7. *Urges* all countries in a position to do so, and in the spirit of the Monterrey Consensus, to increase regular (core) funding to UNFPA in order to secure a stable regular (core) resource base.

19 June 2003

2003/20
Global Environment Facility

The Executive Board

1. *Recalls* the Instrument for the Establishment of the Restructured Global Environment Facility;

2. *Recalls* its decision 94/10 of 13 May 1994 on the adoption of the Instrument for the Establishment of the Restructured Global Environment Facility;

3. *Notes* the decision contained in the Beijing Declaration of the Second Global Environment Facility Assembly, held in Beijing, China, from 16 to 18 October 2002, on the amendments to the Instrument for the Establishment of the Restructured Global Environment Facility;

4. *Decides* to adopt the amendments to paragraphs 2, 3, 6 and 21(f) of the Instrument for the Establishment of the Restructured Global Environment Facility, which include land degradation (primarily desertification and deforestation) and persistent organic pollutants as two new focal areas of the Global Environment Facility, as approved by the Second Global Environment Facility Assembly in its decision contained in the Beijing Declaration of 18 October 2002;

5. *Requests* that the Administrator transmit the present decision to the Chief Executive Officer/Chairperson of the Global Environment Facility.

19 June 2003

2003/21
Overview of decisions adopted by the Executive Board at its annual session 2003

The Executive Board

Recalls that during the annual session 2003, it:

Item 1
Organizational matters

Approved the agenda and work plan for its annual session 2003 (DP/2003/L.2 and Corr.1), as orally amended;

Approved the report of the first regular session 2003 (DP/2003/9);

Agreed to the following schedule of future sessions of the Executive Board in 2003 and 2004:

Second regular session 2003:	8 to 12 September 2003
First regular session 2004:	26 to 30 January 2004
Annual session 2004:	14 to 25 June 2004 (Geneva)
Second regular session 2004:	20 to 24 September 2004

UNDP segment

Item 2
Annual report of the Administrator

Took note of the annual report of the Administrator for 2002 (DP/2003/11 including Add.1 and Add.2);

Adopted decision 2003/7 of 13 June 2003 on joint programming;

Adopted decision 2003/8 of 13 June 2003 on the assessment of the multi-year funding framework (MYFF) 2000-2003 and guidance in the preparation of the new MYFF 2004-2007;

Item 3
United Nations Capital Development Fund

Adopted decision 2003/9 of 13 June 2003 on the results-oriented annual report of the United Nations Capital Development Fund;

Item 4
Technical cooperation among developing countries

Adopted decision 2003/10 of 13 June 2003 on technical cooperation among developing countries;

Item 5
Funding commitments

Adopted decision 2003/11 of 13 June 2003 on the funding commitments to UNDP;

Item 6
Country programmes and related matters

Took note of the following country programme outlines and comments made thereon:

First country programme outline for Benin	DP/CPO/BEN/1 and Corr.1
First country programme outline for Kenya	DP/CPO/KEN/1 and Corr.1
First country programme outline for Niger	DP/CPO/NER/1
First country programme outline for Pakistan	DP/CPO/PAK/1

First country programme outline for Thailand	DP/CPO/THA/1
First country programme outline for Croatia	DP/CPO/CRO/1
First country programme outline for the Russian Federation	DP/CPO/RUS/1
First country programme outline for Ecuador	DP/CPO/ECU/1

Took note of the first one-year extensions of second country cooperation frameworks for Angola, the former Yugoslav Republic of Macedonia, Mauritius, Tajikistan, Uruguay and Zimbabwe (DP/2003/16);

Approved the two-year extension of the second country cooperation framework for Georgia (DP/2003/16);

Approved the one-year extension of the second global cooperation framework (DP/GCF/2/EXTENSION 1);

Item 7
Human Development Report

Took note of the report on strengthening consultations with the Member States on the *Human Development Report*, in accordance with General Assembly resolution 57/264 (DP/2003/17), with comments made thereon;

Item 8
United Nations Office for Project Services

Adopted decision 2003/12 of 13 June 2003 on the annual report of the Executive Director;

Took note of the report of the Executive Director, a.i., on UNOPS year-end figures for 2002 and projected income, expenditure and level of the operational reserve for 2003 (DP/2003/18);

Took note of the independent review pertaining to the business model and related issues of the United Nations Office for Project Services – progress report (DP/2003/CRP.15);

UNDP/UNFPA segment

Item 9
Improvement of the working methods of the Executive Board

Held discussions on improving the working methods of the Executive Board, took note of the suggestions made thereon, and requested that the Bureau follow up on those suggestions and report back to the Board accordingly;

Item 10
Internal audit and oversight

Adopted decision 2003/14 of 19 June 2003 on internal audit and oversight for UNDP, UNFPA and UNOPS;

Item 11
Field visits

Took note of the report on the joint field visit to Mozambique (DP/2003/CRP.10 and Add.1-DP/FPA/2003/CRP.1 and Add.1);

Took note of the report on the field visit to Ecuador (DP/2003/CRP.11);

Adopted decision 2003/15 of 19 June 2003 on the joint field visits;

UNFPA segment

Item 12
Report of the Executive Director for 2002

Adopted decision 2003/16 of 19 June 2003 on the annual report of the Executive Director;

Adopted decision 2003/17 of 19 June 2003 on the assessment of the UNFPA multi-year funding framework (MYFF), 2000-2003, and guidance in the preparation of the next MYFF, 2004-2007;

Adopted decision 2003/18 of 19 June 2003 on joint programming, UNFPA;

Item 13
Delegation of UNFPA personnel authority

Adopted decision 2003/13 of 17 June 2003 on the delegation of UNFPA personnel authority;

Item 14
Funding commitments to UNFPA

Adopted decision 2003/19 of 19 June 2003 on funding commitments to UNFPA;

Item 15
Country programmes and related matters

Took note of the following country programme outlines and the comments made thereon:

Country programme outline for Benin	DP/FPA/CPO/BEN/6
Country programme outline for Kenya	DP/FPA/CPO/KEN/6
Country programme outline for Niger	DP/FPA/CPO/NER/6

Country programme outline for Afghanistan	DP/FPA/CPO/AFG/1
Country programme outline for the Democratic People's Republic of Korea	DP/FPA/CPO/PRK/4
Country programme outline for Pakistan	DP/FPA/CPO/PAK/7
Country programme outline for Cuba	DP/FPA/CPO/CUB/6

Took note of the report on the implementation of the UNFPA special programme of assistance to Myanmar (DP/FPA/2003/9);

Item 16
Technical Advisory Programme

Took note of the report on a monitoring and evaluation system, 2003-2005, of the Technical Advisory Programme (DP/FPA/2003/7);

Item 17
Other matters

Adopted decision 2003/20 of 19 June 2003 on the Global Environment Facility;

Took note of the executive summary of the evaluation of the role of UNDP in the PRSP process (DP/2003/24);

Took note of the decisions of the High-level Committee on the Review of Technical Cooperation among Developing Countries adopted at its thirteenth session (DP/2003/CRP.16);

I. Joint meeting

Held a joint meeting of the Executive Boards of UNDP/UNFPA and United Nations Children's Fund, with the participation of World Food Programme, on simplification and harmonization; transition from relief to development; building on Monterrey; HIV/AIDS; and MDGs monitoring: case study Nepal.

Held a UNDP special event on UNDP Knowledge Services;

II. *Informal consultations*

Held informal consultations on the UNDP biennium budget strategy for 2004-2005;

Held informal consultations on the thematic trust funds;

Held an informal briefing on the UNFPA campaign to eradicate fistula in sub-Saharan Africa;

Held an informal briefing on partnerships for reproductive health commodity security.

19 June 2003

Tentative work plan
Executive Board of UNDP/UNFPA
Second regular session 2003
(8 to 12 September 2003)

Day/date	Time	Item	Subject
Monday **8 September**	10 a.m.-1 p.m.	1	ORGANIZATIONAL MATTERS - Adoption of agenda and work plan for the session - Report on the annual session 2003 - Decisions adopted at the annual session 2003 - Draft work plan for 2004
		4	UNDP: MULTI-YEAR FUNDING FRAMEWORK - Second multi-year funding framework, 2004-2007
	3-6 p.m.	4	UNDP: MULTI-YEAR FUNDING FRAMEWORK (continued)
Tuesday **9 September**	10 a.m.-1 p.m.	2	UNDP: FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS - Annual review of the financial situation 2002 - Detailed information relating to the annual review of the financial situation 2002 - Biennial budget estimates for 2004-2005 - Report of ACABQ on biennial budget estimates 2004-2005 - Information on United Nations system technical cooperation expenditures 2002
	3-6 p.m.	8	UNFPA: FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS - Report on estimates for the biennial support budget, 2004-2005 - Report of ACABQ on the biennial support budget, 2004-2005 - Report on the annual financial review, 2002
Wednesday **10 September**	10 a.m.-1 p.m.	7	UNOPS: FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS - Biennial budget estimates for 2004-2005 - Report of ACABQ on budget estimates, 2004-2005 - Final report on the independent review
	3-6 p.m.	3	UNDP: THEMATIC TRUST FUNDS - Report on Thematic Trust Funds
		5	UNDP: EVALUATION - Annual report of the Administrator on evaluation - Report on the assessment of the MDG reports – Executive summary - Management response to the evaluation of the role of UNDP in the PRSP process

Thursday 11 September	10-11 a.m.	5	UNDP: EVALUATION (continued)
	11 a.m.-1 p.m.	*Informal consultations*	
	3-6 p.m.	6	UNDP: COUNTRY PROGRAMMES AND RELATED MATTERS - Assistance to Afghanistan: Note by the Administrator - Extensions of country cooperation frameworks - Draft country programmes
Friday 12 September	10 a.m.	9	UNFPA: COUNTRY PROGRAMMES AND RELATED MATTERS - Draft country programmes
	12-1 p.m.	*Informal consultations on UNCDF strategy (decision 2003/9)*	
	3-6 p.m.	10	OTHER MATTERS Pending decisions
		1	ORGANIZATIONAL MATTERS - Adoption of report of the annual session 2003 - List of items to be taken up by the Executive Board in the year 2004 - Agenda for first regular session 2004

2003/22
UNDP biennial support budget, 2004-2005

The Executive Board

1. *Takes note* of the report of the Administrator and the overall objectives and strategy on the support budget estimates and related estimates for the biennium 2004-2005, as contained in document DP/2003/28, and which, combined with the programming arrangements, 2004-2007, is an integral part of the second multi-year funding framework (MYFF), 2004-2007, as well as the report on additional security measures, as contained in DP/2003/CRP.20;

2. *Approves* gross appropriations in the amount of $645 478 400 for the purposes indicated in the table below, and *resolves* that the income estimates of $70 310 000 should be used to offset the gross appropriations, resulting in estimated net appropriations of $575 168 400;

3. *Endorses* the proposals of the Administrator in DP/2003/CRP.20 to grant him exceptional authority during 2004-2005 to access up to a maximum of $11.5 million as additional funding for security measures;

4. *Endorses* the approach to establish a base structure concept funded by the regular support budget for both headquarters and country offices, with the aim of progressively increasing the proportionate share for augmentation over the base structure between regular and other resources, and *requests* that UNDP report back on the application of this approach in the context of the next biennial support budget proposal for 2006-2007;

5. *Recognizes* that the proposed increase in cost recovery rates is a step in the right direction towards ensuring that cost recovery income bears the support costs associated with all other-resources-funded activities, and, as a provisional arrangement, *endorses* the approach for cost recovery as contained in paragraphs 130 to 134 of document DP/2003/28;

6. *Requests* that the Administrator submit a report on UNDP cost recovery policy to the Executive Board at its second regular session in September 2004, including the methodology in calculating the rates as well as an update on the adequacy of the provisional rates, options for transparent reporting on income from cost recovery, including the possibility of including this income in calculating the next biennial support budget, as well as a comparison with the practice of the other funds and programmes within the United Nations Development Group (UNDG);

7. *Takes note* of the concerns expressed by The Administrative Committee on Administrative and Budgetary Questions (ACABQ) on the tendency for upward reclassifications (DP/2003/29) *approves* the Administrator's proposals for reclassifications as contained in paragraph 49 to 55 of document DP/2003/28, noting that most of the reclassifications are the consequence of a one-time change resulting from the expanded responsibilities of UNDP, and *requests* UNDP to exercise the utmost restraint in elaborating future proposals for upward reclassifications.

8. *Approves* the proposals by the Administrator on government contributions towards local office costs as contained in paragraph 69;

9. *Recognizes* the need to reach an understanding on the distinction between programme and overhead costs, as contained in paragraphs 44 to 46 of document DP/2003/28, and *requests* that the Administrator consult during 2004 with the ACABQ, the Executive Board as well as the other UNDG members in order to address these issues prior to the submission of the next biennial support budget, 2006-2007;

10. *Urges* all countries in a position to do so to increase core funding to UNDP to enable the organization to implement the MYFF;

11. *Recalls* decision 2002/18 on the programming arrangements and requests the Administrator to consult with the Executive Board should the level of regular resources available for programming fall below $450 million;

12. *Authorizes* the Administrator to redeploy resources between appropriations lines to a maximum of 5 per cent of the appropriation line to which the resources are redeployed.

2004-2005 biennial support budget

(thousands of United States dollars)

Programme support		
Country office		297 649.5
Headquarters		75 294.3
	Subtotal	372 943.8
Management and administration		133 366.8
Support to the operational activities of the United Nations		
Country offices		104 579.5
United Nations Development Group Office		3 153.2
Inter Agency Procurement Services Office		956.1
United Nations Volunteers		30 479.0
	Subtotal	139 167.8
Total gross appropriations		645 478.4
Less Estimated income		70 310.0
Estimated net appropriations		575 168.4

12 September 2003

2003/23
Biennial support budget, 2004-2005, for the United Nations Capital Development Fund and the United Nations Development Fund for Women

The Executive Board

1. *Takes note* of the report of the Administrator on the budget estimates for the biennium 2004-2005 for the United Nations Capital Development Fund and the United Nations Development Fund for Women, as contained in document DP/2003/28;

2. *Approves* gross appropriations for each of the funds as follows:

2004-2005 biennial support budget
(*thousands of United States dollars*)

	UNCDF	UNIFEM
Total appropriations	14 376.8	14 857.2

10 September 2003

2003/24
UNDP multi-year funding framework, 2004-2007

The Executive Board

1. *Reaffirms* decision 98/23 on the establishment of a multi-year funding framework (MYFF) as well as decision 2003/8 on Executive Board guidance in the preparation of the new MYFF, 2004-2007;

2. *Appreciates* the responsiveness of UNDP to the request for consistency and clarity, and *welcomes* in this regard the streamlining of the goals and service lines, resulting in an improved MYFF, 2004-2007, which enables UNDP to respond to the needs of programming countries in a flexible manner;

3. *Endorses* the MYFF, 2004-2007, as contained in DP/2003/32, taking into account the comments made by Member States, including those regarding the need for terminology consistent with the major relevant United Nations conferences and summits and the importance of country driven programming;

4. *Reaffirms* that the objective of the MYFF is to serve as the main policy document as well as a strategic resource and management tool;

5. *Recognizes* that the successful implementation of the MYFF lies in the attainment of the targeted level of income as well as the effective use thereof within the context of national owned development strategies, and *requests* UNDP to report thereon;

6. *Reaffirms* decision 2002/18 on the funding target of $1.1 billion and *encourages* all countries to contribute to the attainment of this target;

7. *Welcomes* that the MDGs[4], particularly poverty reduction, are clearly recognized as the overarching basis for all UNDP activities, and *underscores* the importance of a balanced approach in achieving the internationally agreed development goals, including those contained in the Millennium Declaration;

8. *Recognizes* the role of UNDP as resident coordinator of the United Nations development system at the country level;

9. *Urges* UNDP to strengthen the support to national development frameworks and priorities through, inter alia, developing partnerships, and *underlines* the importance of capacity-building for development effectiveness;

10. *Encourages* UNDP to strengthen the role of South-South cooperation in poverty eradication and in promoting the sustained growth and development of all developing countries;

11. *Reiterates* that the special needs of the least developed countries be taken into consideration in the context of the implementation of the MYFF, 2004-2007;

12. *Recognizes* the need for an improved reporting mechanism for the MYFF, including on gender and other cross-cutting issues and based on performance indicators, and *requests* that UNDP submit proposals to this end at the first regular session of the Executive Board in January 2004;

13. *Encourages* UNDP to continue to strengthen the relationship between the MYFF, the biennial support budget and the programming arrangements.

12 September 2003

2003/25
UNDP evaluation

The Executive Board

1. *Takes note* of the annual report of the Administrator on evaluation 2002 (DP/2003/33);

2. *Welcomes with satisfaction* a candid and analytical evaluation report;

[4] Internationally agreed development goals, including those contained in the Millennium Declaration

3. *Appreciates* the feeding of lessons learned from previous evaluations into the second multi-year funding framework 2004-2007(DP/2003/32);

4. *Reiterates* Executives Board decision 2002/19 on the annual report of the Administrator on evaluation 2001, especially paragraph 9, and thereby *encourages* UNDP work in promoting partnerships on evaluation capacity development with national administrations;

5. *Stresses* the importance of using indicators that are developed with the full participation of national governments and approved by the relevant intergovernmental bodies;

6. *Welcomes* the partnership on evaluation capacity development and other development partners in strengthening national evaluation capacity, such as cooperation through the International Development Evaluation Association and the Inter-Agency Working Group on Evaluation;

7. *Requests* UNDP to enhance evaluation of strategic and cross-cutting issues, such as the UNDP role in the United Nations Development Assistance Framework process as well as gender;

8. *Encourages* UNDP to continue working on linking UNDP policy work to its operational activities, and *stresses* the need to strengthen further the lessons learned process, especially at the country level;

9. *Welcomes* the focus on deepening the performance culture in UNDP and in knowledge and learning for decision-making;

10. *Encourages* UNDP to continue working on internal capacity-building in evaluation;

11. *Urges* UNDP to submit more thorough evaluation reports on the United Nations Development Fund for Women, United Nations Volunteers and the United Nations Capital Development Fund in the future;

12. *Encourages* UNDP to take into account the management response to the evaluation of the role of UNDP in the PRSP process (DP/2003/35) in its PRSP work, and *requests* the Administrator to report to the Executive Board with recommendations at its first regular session 2004.

12 September 2003

2003/26
UNOPS revised budget estimates for the biennium 2002-2003, budget estimates for the biennium 2004-2005, and the report on the level of the operational reserve

The Executive Board

1. *Takes note* of the report of the Executive Director on the revised budget estimates for the biennium 2002-2003, budget estimates for the biennium 2004-2005, and report on the level of the operational reserve (DP/2003/38), and of the report of the Advisory Committee on Administrative and Budgetary Questions on UNOPS biennial budget estimates 2004-2005 (DP/2003/39) thereon;

2. *Approves* (a) the revised budget estimates for the biennium 2002-2003 in the amount of $90.7 million; (b) the budget estimates for the biennium 2004-2005 in the amount of $87.0 million; and (c) the staffing level as proposed for the biennium 2002-2003.

12 September 2003

2003/27
Independent review of the United Nations Office for Project Services

The Executive Board

1. *Takes note* of the final report on the independent review of the United Nations Office for Project Services (UNOPS) (DP/2003/40) and the report on the independent review pertaining to the business model and related issues of the United Nations Office for Project Services – comments of the Executive Director (DP/2003/CRP.19);

2. *Expresses concern* that, despite the anticipated upturn in revenue towards the end of 2003, present business projections for 2004 fall far short of levels needed to sustain the financial viability of UNOPS, and *encourages* the Executive Director in his intent to focus attention on further business acquisition, including through analyzing opportunities to build new relationships;

3. *Recalls* the commitment by the Secretary-General to encourage United Nations entities to work through UNOPS as contained in the document DP/2002/CRP.5;

4. *Supports* the approach of the Executive Director outlined in document DP/2003/CRP.19 with regard to the immediate steps to be taken on the most pressing issues facing UNOPS today, and *welcomes* the intention of the Executive Director to implement a number of internal changes immediately;

5. *Requests* the Executive Director of UNOPS to develop, in consultation with the Executive Board, a full response to the recommendations set out in the report on the independent review (DP/2003/40) for consideration at the first regular session 2004 of the Executive Board.

6. *Notes* that the key question of long-term sustainability of UNOPS is linked to broader issues, such as vision, mandate and governance, that will need to be addressed by the Executive Board in consultation with UNOPS and all relevant stakeholders, *considers* that this discussion needs to take place in parallel with the implementation of internal reforms, and *requests* the Executive Director to facilitate this broader consultation process as soon as possible;

7. *Requests* the Executive Director to report to the Executive Board at its first regular session 2004 on the strategy for business acquisition and progress achieved in implementing the internal changes; to present a comprehensive timetable, detailed budget, benchmarks for monitoring the progress and modalities for meeting the costs of the change process; as well as to report on the broader consultation process set out in paragraph 6 above.

12 September 2003

2003/28
UNFPA estimates for the biennial support budget, 2004-2005

The Executive Board

Having considered the 2004-2005 biennial support budget estimates of the United Nations Population Fund, as contained in document DP/FPA/2003/11;

1. *Approves* gross appropriations in the amount of $169.6 million for the purposes indicated below and resolves that the income estimates of $14.6 million shall be used to offset the gross appropriations, resulting in estimated net appropriations of $155.0 million;

UNFPA biennial support budget, 2004-2005
(*in thousands of United States dollars*)

Programme support	
Country offices	86 577.1
Headquarters	29 180.9
Subtotal	115 758.0
Management and administration of the organization	53 802.6
Total gross appropriations	169 560.6
Less: Estimated income to the budget	(14 600.0)
Estimated net appropriations	154 960.6

2. *Authorizes* the Executive Director, UNFPA, to redeploy resources between appropriation lines up to a maximum of five per cent of the appropriation to which the resources are redeployed;

3. *Authorizes* additional extrabudgetary expenditures up to $3.8 million for the implementation of the Enterprise Resource Planning project.

10 September 2003

2003/29
Overview of decisions adopted by the Executive Board at its second regular session 2003

The Executive Board

Recalls that during the second regular session 2003, it:

Item 1
Organizational matters

Approved the agenda and work plan for its second regular session 2003 (DP/2003/L.3 and Corr.1);

Approved the report on the annual session 2003 (DP/2003/25);

Agreed to the following schedule of sessions of the Executive Board in 2004:

First regular session 2004:	23 to 30 January 2004
Annual session 2004:	14 to 25 June 2004 (Geneva)
Second regular session 2004:	20 to 24 September 2004

UNDP segment

Item 2
Financial, budgetary and administrative matters

Adopted decision 2003/22 of 12 September 2003 on the UNDP biennial support budget for 2004-2005;

Adopted decision 2003/23 of 10 September 2003 on the biennial support budget 2004-2005 for the United Nations Capital Development Fund and the United Nations Development Fund for Women;

Took note of the annual review of the financial situation 2002 (DP/2003/27);

Took note of the detailed information relating to the annual review of the financial situation 2002 (DP/2003/27/Add.1);

Took note of the report of the Advisory Committee on Administrative and Budgetary Questions on the biennial budget estimates 2004-2005 (DP/2003/29);

Took note of the report on the information on United Nations system technical cooperation expenditures 2002 and its addendum (DP/2003/30 and DP/2003/30/Add.1);

Took note of the report on additional security measures required for UNDP personnel and premises (DP/2003/CRP.20);

Item 3
Thematic trust funds

Took note of the report on thematic trust funds (DP/2003/31);

Item 4
Multi-year funding framework

Adopted decision 2003/24 of 12 September 2003 on the second multi-year funding framework, 2004-2007;

Item 5
Evaluation

Adopted decision 2003/25 of 12 September 2003 on UNDP evaluation;

Took note of the executive summary of the report on the assessment of the MDG reports (DP/2003/34);

Took note of the management response to the evaluation of the role of UNDP in the PRSP process (DP/2003/35);

Took note of the note by the Administrator on the report on the assessment of the MDG reports (DP/2003/41);

Item 6
Country programmes and related matters

Took note of the following draft country programme documents and the comments thereon:

Draft country programme document for the Central African Republic	DP/DCP/CAF/1
Draft country programme document for the Republic of Congo	DP/DCP/PRC/1
Draft country programme document for Sierra Leone	DP/DCP/SIL/1
Draft country programme document for Lithuania	DP/DCP/LIT/1
Draft country programme document for Poland	DP/DCP/POL/1 and Corr.1

Approved the two-year extension of the country cooperation framework for Peru (DP/2003/37/Rev.1);

Took note of the one-year extensions of the country cooperation frameworks for Chile and Bosnia and Herzegovina (DP/2003/37/Rev.1);

Took note of the note by the Administrator on UNDP assistance to Afghanistan (DP/2003/36);

Took note of the oral report on assistance to Myanmar;

Item 7
United Nations Office for Project Services: Financial, budgetary and administrative matters

Adopted decision 2003/26 of 12 September 2003 on UNOPS revised budget estimates for the biennium 2002-2003; budget estimates for the biennium 2004-2005, and the report on the level of the operational reserve;

Adopted decision 2003/27 of 12 September 2003 on the UNOPS independent review;

Took note of the report of the Advisory Committee on Administrative and Budgetary Questions on the UNOPS biennial budget estimates 2004-2005 (DP/2003/39);

Took note of the comments of the Executive Director in the report on the independent review pertaining to the business model and related issues of the United Nations Office for Project Services (DP/2003/CRP.19);

UNFPA segment

Item 8
Financial, budgetary and administrative matters

Adopted decision 2003/28 of 10 September 2003 on the estimates for the UNFPA biennial support budget for 2004-2005;

Took note of the report of the Advisory Committee on Administrative and Budgetary Questions on the estimates for the UNFPA biennial support budget for 2004-2005 (DP/FPA/2003/12);

Took note of the UNFPA annual financial review 2002 (DP/FPA/2003/13);

Item 9
UNFPA country programmes and related matters

Took note of the following draft country programme documents:

Draft country programme document for Lesotho	DP/FPA/DCP/LSO/4
Draft country programme document for the Republic of the Congo	DP/FPA/DCP/COG/3
Draft country programme document for Sierra Leone	DP/FPA/DCP/SLE/3
Draft country programme document for Ecuador	DP/FPA/DCP/ECU/4

Item 10
Other matters

Held a joint UNDP, UNFPA and UNIFEM informal consultation on women, peace and security.

Held informal consultations on the UNCDF strategy.

Held informal briefings on Afghanistan.

UNFPA

Held an informal consultation on the multi-year funding framework, 2004-2007, and the intercountry programme, 2004-2007.

12 September 2003

Tentative work plan
Executive Board of UNDP/UNFPA
First regular session 2004
New York, 23 to 30 January 2004

Day/Date	Time	Item	Subject
Friday, 23 January	10.00 am - 1.00 pm; 3 to 6 pm	1	SESSION OF THE UNDP/UNFPA EXECUTIVE BOARD - Election of the Bureau of the Board for 2004 JOINT MEETING OF THE EXECUTIVE BOARDS OF UNDP/UNFPA, UNICEF and WFP Themes: - Simplification and harmonization - HIV/AIDS - Security of United Nations staff - To be decided
Monday, 26 January	10.00 am - 1.00 pm; 3 to 6 pm		CONTINUATION OF THE JOINT MEETING OF THE EXECUTIVE BOARDS OF UNDP/UNFPA, UNICEF and WFP
Tuesday, 27 January	10.00 am - 1.00 pm		CONTINUATION OF THE SESSION OF THE UNDP/UNFPA EXECUTIVE BOARD
		1	ORGANIZATIONAL MATTERS - Adoption of agenda and work plan for the session - Adoption of the report on the second regular session 2003 - Adoption of the annual work plan 2004 of the Executive Board
			UNFPA segment
		11	MULTI-YEAR FUNDING FRAMEWORK - The multi-year funding framework, 2004-2007
	3 to 6 pm	11	MULTI-YEAR FUNDING FRAMEWORK (continued) - The multi-year funding framework, 2004-2007
		10	COUNTRY PROGRAMMES AND RELATED MATTERS - Intercountry programme, 2004-2007 - Approval of country programme documents
Wednesday 28 January	10.00 - 1.00 pm		**UNDP segment** - Administrator's statement
		4	MULTI-YEAR FUNDING FRAMEWORK - Proposals for the reporting mechanism for the MYFF
		5	UNITED NATIONS DEVELOPMENT FUND FOR WOMEN - UNIFEM strategy and business plans, 2004-2007

Day/Date	Time	Item	Subject
	3 to 6 pm	7	UNOPS - Report of the Executive Director on the implementation of the 2003 budget - Report of the Executive Director on the status of the change management process
Thursday, 29 January	10:00 - 12:00 pm	3	EVALUATION - Management response to the assessment of the MDG reports - Recommendations for UNDP PRSP work in the context of the management response to the evaluation of the role of UNDP in the PRSP process
		2	TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES - Third cooperation framework for TCDC
	12 - 1 pm		*INFORMAL CONSULTATIONS*
	3 to 6 pm	6	UNDP: COUNTRY PROGRAMMES AND RELATED MATTERS - Approval of country programme documents - Report of the assessment mission to Myanmar - Extensions of country cooperation frameworks
Friday, 30 January	10:00 - 1:00 pm		**Joint UNDP/UNFPA segment**
		8	RECOMMENDATIONS OF THE BOARD OF AUDITORS, 2001-2002 - UNDP: Report on the implementation of recommendations of the Board of Auditors for the biennium 2001-2002 - UNFPA: Follow-up to the report of the United Nations Board of Auditors for the biennium 2001-2002: Status of implementation of recommendations - UNOPS: Follow-up to the report of the United Nations Board of Auditors for the biennium 2001-2002: Status of implementation of recommendations
		9	REPORT TO THE ECONOMIC AND SOCIAL COUNCIL - UNDP: Report to the Economic and Social Council - UNFPA: Report to the Economic and Social Council
	3 to 6 pm	12	OTHER MATTERS - Pending decisions
		1	ORGANIZATIONAL MATTERS

United Nations DP/2004/3

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

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23 to 30 January 2004, New York
Item 2 of the provisional agenda
Evaluation

Management response to the assessment of the Millennium Development Goals reports

I. Background and purpose

1. In late 2002, UNDP initiated steps for a rapid assessment of the Millennium Development Goals (MDG) reports. The proposed assessment was based on the premise that progress in terms of the number of country reports produced was not a substitute for quality, especially with regard to participation, disaggregation and presentation.

2. The assessment touched on a wide range of issues ranging from the capacity of countries capacity to monitor progress to the nature and characteristics of the MDG reports. This note summarizes the response of UNDP to the challenges identified by the assessment with respect to the quality of MDG reports and the process for preparing country reports.

II. Content of MDG reports and relation to other instruments

3. The assessment notes variations in the quality of MDG reports across countries and their relationships with other reporting instruments such as the national human development reports (NHDRs), common country assessments and the United Nations Development Assistance Framework (CCA/UNDAF), and nationally owned documents. In the light of the findings and recommendations, management has revised the MDG reports guidance note – first issued in October 2001 – through a broad-based consultation within the United Nations Development Group. The revised note addresses many of the concerns and issues raised in the assessment. Management has shared the findings and recommendations contained in the assessment with the United Nations Country Teams engaged in the preparation of MDG reports.

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4. The main issues emphasized in this second guidance note are: (a) national ownership and participation in the preparation of MDG reports; (b) better use of disaggregated data to identify development gaps and help set priorities in resource allocation; (c) capacity development to promote active participation of key development actors; and (d) advocacy and campaigning, with the MDG report serving as a tool to build consensus around development priorities.

5. In order to clarify differences and strengthen synergies among the various reporting processes, management has organized several monitored discussions in the UNDP knowledge networks about the relations between MDG reports and NHDRs, poverty reduction strategy papers, and the CCA/UNDAF process, respectively.

III. MDG reports for campaigning and social mobilization

6. The purpose of the MDG report is two-fold: public information and social mobilization. The MDG report addresses a national audience in an effort to 'bring the MDGs home'. Revision of the guidance note to make the MDG reports more reader-friendly was the first management response to findings from the assessment. Mechanisms for closer consultation have been defined to improve coordination so that the publication of each MDG report is accompanied by a clearly defined communication and advocacy campaign.

IV. National ownership and consensus building

7. The assessment reveals wide variations in country ownership in the preparation of MDG reports. The revised guidance note is clear in stressing the importance of national ownership and capacity development as the basic principles underlying the MDG reports.

8. Specific recommendations to build national ownership in the preparation of MDG reports are: (a) translation of global goals into nationally agreed targets to take account of national development priorities; and (b) national definition of the time-span for achieving the MDGs. Global targets defined for the period 1990-2015 may not be relevant for all countries, such as those that did not exist in 1990 or those that lack data comparable to benchmark indicators.

9. The assessment recommends avoiding the erroneous conclusion that government participation in the preparation of the MDG report is equivalent to national ownership. Management emphasizes the importance of tailoring and customizing targets through broad-based, inclusive dialogue and debate. Close collaboration with civil society organizations (CSOs) is essential for widening support and consensus around the MDGs. Management of the Millennium Trust Fund, which provides partial support to the preparation of MDG reports remains flexible to ensure that expediency is not used as a justification to limit CSO participation. While involving more partners will inevitably lengthen the process, it is essential to generating a stronger sense of national ownership and building a greater MDG coalition.

V. Capacity building

10. The assessment identifies the fact that effective participation in preparing MDG reports is often constrained by in-country capacity. UNDP is streamlining its interventions to help strengthen the capacity of national actors to engage in policy discussions and to improve policy implementation and monitoring of the MDGs.

11. An area of particular concern is the need to improve statistical capacity at the country level. UNDP departs from the recommendation of the assessment to promote 'global surveys on MDGs following a standard set of global guidelines to compare performance across countries and regions of the world'. The estimation of MDG indicators is based on the standard data sources at the country level, such as administrative agencies and household-based surveys. Efforts to strengthen global reporting should not be permitted to undermine countries' efforts to improve national statistical capacity.

12. Management is making provision to reinforce UNDP participation in existing mechanisms for inter-agency coordination to strengthen countries statistical capacity as the basis for improving global data sources. In collaboration with bilateral donors, United Nations organizations, the World Bank and other multilateral organizations, UNDP is addressing three challenges: (a) strengthen the collection of development data according to internationally agreed methodologies; (b) improve data dissemination by establishing a central repository of data for MDGs and related indicators; and (c) build capacity among government officials, CSOs, parliamentarians, and the media to use data for evidence-based policy-making and programming, as well as for advocacy and campaigning.